

Message Text

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PAGE 01 CANBER 06371 130804Z
ACTION EA-12

INFO OCT-01 ISO-00 L-03 COME-00 TRSE-00 EB-08 /024 W
-----071656 130919Z /23

R 130645Z SEP 77
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 1309

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E.O. 11652: N/A
TAGS: EGEN, EINV, EMIN, EFIN, AS
SUBJ: DILLINGHAM CLAIM

REF: (A) STATE 216088, (B) CANBERRA 6197

1. THE TWO MAIN ALTERNATIVE POSSIBILITIES ARE (A) GOA ADHERENCE TO COMPENSATION FORMULA BASED ON CONCEPT OF INDEMNIFICATION FOR ONE YEAR'S PROFIT AND (B) A GOA SHIFT TO ACCEPT IN PRINCIPLE INDEMNIFICATION FOR ALL OR PART OF DILLINGHAM'S NON-RECOVERABLE CAPITAL INVESTMENT.

2. ALTERNATIVE (A) IS THE BASIS ON WHICH DEPRIM ANTHONY IS CURRENTLY PROCEEDING, AND PRESUMABLY UNDERLIES THE A DOLS 3.7 MILLION OFFER REPORTED TO HAVE BEEN MADE TO DILLINGHAM EARLY THIS YEAR. IT IS CONCEIVABLE, ALTHOUGH NOT CERTAIN, THAT THIS FIGURE MIGHT BE SUBJECT TO SOME IMPROVEMENT ON THE BASIS OF THE MORE COMPLETE CONTRACT DATA WHICH ANTHONY IS SEEKING (CANBERRA 6197). IN THIS CONNECTION EMBASSY HAS ADVISED DILLINGHAM'S AUSTRALIA MANAGING DIRECTOR OF ANTHONY'S COMMENT ON CONTRACTS, AND DILLINGHAM HAS UNDERTAKEN TO ENSURE THAT ANTHONY HAS ALL THE DATA HE DESIRES.

3. ALTERNATIVE (B) IS NOT DEFINITELY EXCLUDED, BUT WE BELIEVE A MAJOR ADJUSTMENT IN THIS DIRECTION IS VERY UNLIKELY. IT WOULD REQUIRE NOT ONLY THAT ANTHONY MODIFY HIS BASIC
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POSITION AND ACCEPT IN PRINCIPLE THAT INVESTMENT BE INCLUDED IN THE BASIC FORMULA, BUT MORE IMPORTANTLY WOULD REQUIRE THAT ANTHONY PERSUADE THE CABINET TO ACCEPT THIS CHANGE. DURING PAST WEEKS THE CABINET HAS BEEN UNMOVED BY A LARGE NUMBER OF PROMINENT PUBLIC AND PRESUMABLY SOME NUMBER OF PRIVATE STATEMENTS THAT REFUSAL TO ACCEPT NON-RECOVERABLE INVESTMENT IN THE BASIC FORMULA WILL BE A SERIOUS BLOW TO GENERAL

INVESTOR CONFIDENCE IN AUSTRALIA. WE ARE NOT OPTIMISTIC THAT THIS POSITION WILL SOFTEN.

4. IN SUMMATION, IT SEEMS PROBABLE THAT THE GOA'S POSITION WILL CONTINUE TO FOLLOW THE ALTERNAIVE (A) FORMULA, HOPEFULLY BUT NOT CERTAINLY WITH SOME SWEETENING OF THE DOLLAR FIGURE IF ANTHONY IS SATISFIED WITH THE CONTRACT DATA HE IS SEEKING. GIVEN THE HISTORY OF THE ISSUE AND THE POSITIONS ON THE RECORD, HOWEVER, WE SEE NO PROSPECT OF AN AUSTRALIAN OFFER AT THE DOLS US 25 MILLION FIGURE DILLINGHAM IS SEEKING.
ALSTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, INDEMNIFICATION
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER06371
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770331-0275
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770971/aaaachvj.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1d4b0548-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 216088, 77 CANBERRA 6197
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1299499
Secure: OPEN
Status: NATIVE
Subject: DILLINGHAM CLAIM
TAGS: EGEN, EINV, EMIN, EFIN, AS, (DILLINGHAM)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/1d4b0548-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009